

12 May 2021

Deputy David Johnson
Chair
Economic and International Affairs Scrutiny Panel

Via email: scrutiny@gov.je

Dear Deputy Johnson

**Economic and International Affairs Scrutiny Panel
Medicinal Cannabis**

Thank you for your letter dated 7 May 2021. Jersey Finance is grateful for the opportunity to respond to the questions raised in your letter.

Jersey Finance has not consulted with its members in relation to the specifics of the Panel's review, that is to say the regulations which are to govern the licensing of the cultivation, import and export of medicinal cannabis. However, Jersey Finance has previously been involved in discussions with its members and with Government in relation to the issues facing the various sectors of the financial services industry arising from business connected, directly or indirectly, with cannabis, in the context of the global move towards the legalisation of medicinal cannabis and the recent steps taken in Jersey in this regard. Most recently, Jersey Finance has sought, and fed back to the Government's Financial Crime Strategy section, the views of various finance industry representatives on proposed changes to the Proceeds of Crime (jersey) Law 1999 in respect of the proceeds of lawful cannabis activity.

Against that background, I now turn to the questions set out in your letter:

1. Do you anticipate that the Medicinal Cannabis licences issued by the Jersey Cannabis Agency will follow the same high regulatory standards, such as those required by the financial services industry?

Jersey Finance has no specific insight into the operation of the Jersey Cannabis Agency. As a matter of principle, Jersey Finance would expect all regulatory agencies in Jersey to follow high regulatory standards. The quality of the regulatory regime in regard to financial services is at the heart of Jersey's international reputation and the standards applied by the Jersey Cannabis Agency will likewise reflect upon Jersey in the international arena.

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2. Have you been invited to provide any regulatory oversight or advice to the Jersey Cannabis Agency, to ensure that their internal processes for issuing licences, preserve Jersey's international reputation as a well-regulated jurisdiction?

No. Jersey Finance is not, of course, a regulatory body.

3. Do you think that the Jersey Cannabis Services Advisory Group is communicating to industry the high standards of regulation that will be expected of businesses cultivating Medicinal Cannabis?

Jersey Finance is not in a position to comment, having no particular insight in relation to this point.

4. Have you received any comments or concerns from professional service providers in other sectors, such as the financial services industry, about the regulation of a Medicinal Cannabis industry in Jersey?

A key theme emerging from the discussions between Jersey Finance and financial service practitioners is the need for Jersey's policy in respect of the cannabis industry, both locally and worldwide, to be clearly articulated, with the various authorities (Government departments, regulators and law enforcement) working in accordance with a common understanding of Jersey's chosen approach. Furthermore, given the subject matter and the crucial importance of Jersey's international reputation, there is a vital need for clear and consistent messaging from the authorities to local and external audiences.

Yours sincerely



Joe Moynihan
Chief Executive Officer